

AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT

I, Patrick H. Pruitt III, being duly sworn, hereby depose and state as follows:

1. I am a Senior Special Agent with the United States Secret Service (USSS) and have been so employed, since June of 1998. I received a Bachelor's of Science degree in Finance and Business Economics from the University of South Carolina. I have received training at the South Carolina Criminal Justice Academy, Federal Law Enforcement Training Center, and United States Secret Service Training Center. I graduated from the Electronic Crimes Special Agent Program (ECSAP) in 1999, where I received extensive training in computer forensics and emerging trends in white collar crime to include counterfeiting, internet intrusions, and access device fraud investigations. I have also received training in the techniques and methodology of general law enforcement and white collar criminal investigations. I am currently assigned to the Columbia Field Office, Columbia, SC, where I oversee their Computer Forensic Laboratory. I have utilized my general and forensic training to both assist and manage cases involving the search and seizure of electronic equipment to include cellular devices, computers, skimmers and cell phones, as well as the investigation of criminal violations related to the conspiring to launder money and commit mail and wire fraud, in violation of Title 18 United States Code Sections 1956(h) and 1349.
2. I am submitting this affidavit in support of the belief that there is probable cause to issue an arrest warrant for SUNG WOOK KIM, a/k/a Paul Kim, (Kim) charging him with aggravated identity theft, in violation of 18 U.S.C. §1028A and wire fraud, in violation of 18 U.S.C. § 1343.

In support of this belief, I assert the following:

3. Nexien, Inc. is a corporation duly organized and doing business in the state of New Jersey. Nexien also has an office at 28-16 Main St., Suite B, Newberry, South Carolina
4. Nexien is in the staffing solutions industry, providing labor forces to its clients and other services accomplished through manual labor. In connection with its business, Nexien hires hundreds of employees for manual labor, either for dispatching to Nexien's client's operation sites or to be dispatched at service locations. Nexien also hires managerial employees and/or officers who are capable of coordinating, supervising, and managing service operations requested by its clients. For certain projects, Nexien also procures locations suitable for providing the contracted services, including leasing warehouse space and renovating it for its anticipated use.
5. In its normal course of business, Nexien makes an initial investment to procure suitable work sites, pays wages to its employees, and pays for any additional outsourced services, then expects to rely on incoming payments from its clients to recoup the initial (capital) investment and for overhead profit.
6. Samsung Electronics Home Appliances America LLC (SEHA) operates a home appliance manufacturing plant in Newberry, South Carolina. The plant operation involves the assembly of washing machines and dryers. Since in or about May 2018, Nexien provided SEHA with staffing, specifically manual labor forces for their manufacturing plant in Newberry, South Carolina.
7. Nexien hired Sung Wook "Paul" Kim in May 2016 as an assistant manager. In April 2018, Kim was promoted to a general manager as the SEHA Unit Lead or Business Development Director at Nexien's South Carolina operations. In South Carolina, Kim was the only employee in contact with Samsung affiliates as Nexien's



client. Kim's responsibilities included obtaining contracts from Nexien's potential clients, including affiliates of Samsung, and managing the overall providing of services to the client.

8. Kim's daily responsibilities included signing necessary paperwork and contracts to procure project sites, hiring contractors for construction, and hiring employees necessary to provide the services.

*B. Business Process Outsourcing Service Agreement*

9. Since May 2018, Nexien maintained a contract with SEHA for staffing service. Nexien provided manual laborers for SEHA's plant in Newberry, South Carolina. Under this contract, Nexien was responsible for providing the labor force but had no managerial or operational duties.
10. On September 10, 2019, Kim represented to Nexien that SEHA was planning to outsource its plant operations entirely. This is called business process outsourcing, or "BPO." Kim further represented that SEHA wanted hire Nexien to provide both manual labor employees and supervisory employees.
11. In support of his representation, Kim sent an email with an attached spreadsheet purporting to be a draft of Samsung's internal report.<sup>1</sup>
12. Throughout 2019 until February 2020, Kim provided Nexien with regular reports concerning the proposed project, including suggested organizational structure for the BPO project and additional workforce to hire.
13. During this time, Kim also reported summaries of his negotiations with SEHA on pricing and terms of the contract via email and other contacts with Nexien. Kim

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<sup>1</sup> Nexien's internal communications with Kim were often in Korean. The communications between Kim and Nexien have been translated and provided to me by Nexien's legal counsel.

also provided drafts of the anticipated contract.

14. On February 14, 2020, Kim delivered to Nexien a fully executed BPO agreement, where Nexien would provide the laborers and general management services. Pursuant to the BPO agreement, Nexien would provide services to assemble, label, package, and store washing machines and dryers.
15. The BPO agreement presented was purportedly signed by "Austin Jeon," the president of SEHA, and included the SAMSUNG watermark along with stamps and bar codes appearing to have been generated as a legal document by Samsung.
16. On April 20, 2020, Nexien began providing the services for SEHA pursuant to the BPO agreement and hired multiple laborers and managerial employees.
17. Kim reported to Nexien additional requirements and requests by SEHA based on his alleged meetings with SEHA representatives. To meet these requirements, Nexien made investments in procuring a human resources management program, and configuring this program to meet SEHA's purported requirements.
18. Nexien experienced difficulties collecting on the invoices issued for administrative fees. However, Kim provided seemingly legitimate reasons for the delay in SEHA's payments.
19. On January 4, 2021, Kim admitted that the BPO project "does not exist" for SEHA, that the BPO agreement is a fake document, and that SEHA will not make any payment for the administrative fees.

*C. Construction Management Service Agreement - Maryville, TN*

20. In February 2020, Kim brought and additional project from Samsung for construction management services. Kim presented Nexien with a letter of intent



signed by "Won Hee Kim," purportedly the president of Samsung Electronics Visual Display America ("SEVD"), along with a stamp purporting to show approval of the letter by SEHA's legal department.

21. The letter of intent indicated that SEVD selected Nexien as the construction manager for a plant located in Maryville, Tennessee. This plant was, and still is, leased and/or owned by Denso, a Japanese automobile parts manufacturing plant. Kim explained that Samsung intended to take over Denso's plant and that the construction and/or renovation would be performed incident to the takeover.
22. The letter of intent indicates that a formal executed agreement would arrive in 30 days, but that SEVD needed Nexien to commence providing the services immediately. The letter of intent also stated that "[a]ll costs incurred from March 2nd, 2020 will be paid by SEVD."
23. In reliance on this letter of intent, Nexien immediately mobilized its workforce, hiring seventeen (17) experienced and highly compensated employees, and provided them benefits, including health insurance, housing, as well as reimbursement for meal and travel costs. Additionally, Nexien provided 10 units of corporate housing for the employees as some had to travel into the United States from Korea.
24. As this project was anticipated to take about two (2) years, Nexien procured a local office space in Maryville, Tennessee.
25. Nexien did not receive reimbursements for their expenditures and Kim continued to make lulling excuses about the payment delays. Kim stated that the delays were because Samsung's employees who were dispatched from Korea to the United

States had been infected with COVID-19, that they were in the hospital, and that they had to return to Korea for health-related reasons.

26. While the employees were, in essence, on standby, Kim said that Nexien had to devise several alternative plans on how Samsung would renovate Denso's plant. Kim effectively kept these newly hired and highly compensated employees "busy" by assigning them new tasks from time to time.
27. On January 4, 2021, Kim admitted that this project "does not exist" and therefore Nexien cannot expect any payment.

#### D. Inbound Quality Control Agreement

28. In November 2020, Kim brought in an additional project from SEHA. In this project, Nexien was to takeover inbound quality control ("IQC") measures formerly undertaken internally by SEHA.
29. In connection with this project, Kim presented to Nexien a proposal prepared by him and purportedly approved by the president of SEHA.
30. According to the terms of the proposal, which became a binding contract once approved by SEHA, Nexien would invoice SEHA for all costs of leasing the warehouse and any construction (or renovation) work performed there.
31. Nexien immediately acted to lease the warehouse identified in the proposal and to hire a contractor and an architect. The company signed a two-year lease on the property. Additionally, Nexien signed contracts with contractors and architects to bring the warehouse to specifications. In connection with the IQC contract, Nexien hired four (4) employees to oversee, manage, and coordinate the procurement of the



warehouse and the renovation work performed there.

32. Between the three projects, Nexien paid Kim approximately \$139,000 in bonus payments. The last bonus of \$40,000 was paid in November 2020. In addition, Nexien paid Kim an annual salary of \$130,000 and provided housing for him in South Carolina.
33. After several months of non-payment from SEHA and SEVD, Nexien independently sought to verify the existence of the above-described projects and contracts directly.
34. Upon inquiry, representatives of the Samsung subsidiaries indicated they were unaware of the projects and that the contracts did not exist.
35. Upon a closer review of the contract, Nexien noticed that the purported signatures of the president of SEHA, inscribed on the BPO agreement and the Construction Management Service proposal differed.
36. On January 4, 2021, Nexien officials contacted Kim regarding the contracts. When confronted, Kim confessed that "[t]here is no money coming in because the TN [construction management service], IQC, and other projects do not exist for SEHA [... ] These projects do not exist and therefore there are no payments to be received, nor is there anyone who embezzled money.
37. I interviewed Kim on February 5 and 12, 2021 at the Newberry Police Department, (NBPD) with Investigator Matthew Metz, NBPD. During the interviews, Kim admitted that he falsified his resume during the initial employment process with Nexien and further explained that he did not have degrees from Columbia University, NY in Mathematics or Physics as he claimed. Kim admitted that he had

received several bonuses and salary increases based on the fraudulent contracts as summarized below.

<u>Item</u>	<u>Date</u>	<u>Amount</u>	<u>Remarks</u>
Bonus	11/8/19	\$50,000	performance bonus
Salary Increase	3/27/20	13,000	Salary increase
Bonus	7/3/20	20,000	bonus based contracts
Bonus	11/6/20	40,000	bonus based contracts
	<b>Total</b>	<b>139,250</b>	

38. Kim further admitted to forging approximately six (6) different contracts during his employment with Nexien and described in detail the three (3) main contracts with Samsung (BPO, SEVD and IQC), which he drafted using fake email chains, that appeared as if he were discussions with Samsung executives about salaries, housing, health care, quality control, employee staffing and other details, between September 2019 through December 2020. Kim acknowledged sending numerous emails to Nexien trying to delay invoices from the fraudulent projects. Finally, on or about late December 2020, Kim admitted to Nexien executives, via text messages that the contracts were a fraud and that Nexien would receive no payment.
39. According to Nexien's internal record keeping, they expended \$2,152,167.75 as a direct result of the fraudulent BPO Agreement. Nexien expended \$1,658,147.33 as direct result of the fraudulent CMS letter of intent. Nexien expended \$234,400.24 as a result of the fraudulent IQC Agreement.
40. In presenting the falsified and doctored up agreements with Samsung's affiliates, Kim committed forgery of the signatures of Samsung's officers, "Austin Jeon" and "Won Hee Kim"
41. Kim forged the signatures and manufactured false contracts, and he presented



Nexien with these documents with the intent and purpose of defrauding Nexien of funds.

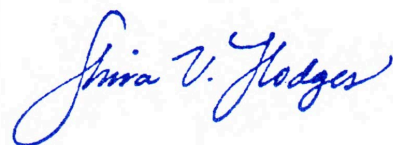
42. Based on the forgoing facts and circumstances, which I believe to be true and accurate to the best of my knowledge, I believe that probable cause exists to support the issuance of an arrest warrant and criminal complaint charging him with aggravated identity theft, in violation of 18 U.S.C. §1028A and wire fraud, in violation of 18 U.S.C. § 1343.

This affidavit has been reviewed by AUSA T. DeWayne Pearson

  
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Patrick H. Pruitt III  
United States Secret Service

Subscribed and sworn to me via telephone or other reliable electronic means and signed by me pursuant to Fed. R. Crim. P. 4.1 and 4(d)

This 17th day of February 2021

  
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Shiva V. Hodges  
United States Magistrate Judge